dustrial stribution

December 1981

Hotline:
Recession! No change seen first half of '82

C 6185-2

IES121 MF4003046 00 999999
0000 0000
JOSEPH MCNALLY

CONGRESSIONAL INFORMATION SERV 8112
4520 E-W HIGHWAY STE 800
WASHINGTON DC 20014

Cramer Industrial Supplies...

One step ahead

Industrial Distribution

December, 1981
Vol. 71, No. 12/71st year
A Morgan-Grampian publication

Contents

Industry News

7 Planning for the turbulent decade ahead focus of NAW annual meeting; Northeast distributors plan conference to gain stronger voice; Construction contracting low and holding steady; Holwell president of Gates Rubber Co.; American Eagle Award to get special emphasis at 1982 TIS convention; Pioneer Screw & Nut buys Midwest Bolt; Machinery manufacturers see equipment plant investment hikes in '82; Mathias Klein elected '82-'83 president of Hand Tool Institute; Rockwell sells portable tools to Pentair; NWHA elects Marble association president; Receivables moving at a crawl NACM reveals; NIBA names Lawrence president for 1982; Amerace Corp. merges two units to improve market penetration; New car sales expected to lag until late '82; Oilfield services and supplies industries facing a slowdown; Smith elected head of welding group; D.P. Brown acquires Industrial Drives, Inc.

Cover Story

31 **Cramer Industrial Supplies . . . One step ahead**
At first glance there's nothing distinguishing about this firm just south of Niagara Falls. It's housed in an old building in a colorless part of town. Its inventory is impressive but not overwhelming, and there's nothing outstandingly space-age about its front-office and warehouse operations. But that's where its resemblance to the run-of the mill distributorship ends. This one has the secret for making it in a notably depressed area.

Feature Articles

44 **Hotline/Recession! No change seen first half of '82**
The short term looks bleak as inflation and high interest add up to a recessed economy. But distributors, coping with the problems, predict recovery beginning in the third quarter.

47 **Strictly for Salesmen . . . Is that a proposal?**
A well written business proposal is a key to attracting high quality, profitable prospects. Here's how to organize, write and sell your problem-solving capabilities.

49 **Capsule Sales Concept/The salesman as a teacher**

50 **How to Sell . . . Electrical equipment and supplies**

Marketing/Operations Ideas

52 In-house training boosts productivity; How to keep accidents out of your operation; Automatic tyer adds zing to productivity; Technical manual as basic tool for salesmen; Space-saving tips: Don't look out, look up!; Updated technologies of photoelectric controls; Beat a selling slump with how-to-sales kit.

Departments

15 Distributor Dates
17 Reader Service Card
21 Readers Write
23 Regional Report
25 Washington Report
29 Like It or Not
59 Reader Service Card
61 We Were There
62 New Products
69 In Print
72 Appointments
75 Classified Advertising
75 Advertisers' Index
76 Talk of the Trade

Want extra copies? Microfilm or full-size reproductions of complete issues, or articles from this or past issues, are available at nominal cost. Write Xerox University Microfilms, Ann Arbor, Mich. 48109.

George J. Berkwitt, chief editor
2 Park Ave., New York 10016
(212) 340-9700

Duffy Marks, managing editor
Stuart Chapman, senior editor
Peter Craddick, senior editor
Theresa Magee, assistant editor
Allen Pinto, Washington
Rose Fritsch, editorial assistant

Vera Steiner, design director
Paul T. Decker, art director
Kathy Smith, art assistant
Barbara Dohrman, circulation manager
Rosemarie LaVecchia, promotion mgr.

Jane Cichy, production mgr.
and reprints
(212) 340-9766

Kerry J. Cannon, publisher

Industrial Distribution, (USPS-889-860) is published monthly by Morgan-Grampian Publishing Co., a subsidiary of Morgan-Grampian, Inc., 2 Park Ave., New York, NY. (212) 340-9700. Second class postage paid at Crystal Lake, IL 60014.

Change of address: Send to Circulation Manager, Industrial Distribution, Berkshire Common, Pittsfield, MA 01201.

Postmaster: Please send Form 3579 to Circulation Manager, Industrial Distribution, Berkshire Common, Pittsfield, MA 01201.

Executive officers of Morgan-Grampian Publishing Co.: Graham V. Sherren, Chairman of the Board; Domenic A. Mucchetti, President; Gary M. Rekstad, Vice President and Group Publisher; William J. Adams, Vice President, Pittsfield Operations; John Beadell, Vice President, Circulation Systems; Charles Benz, Controller.

Subscription: Industrial Distribution is sent on request to owners, executives and salesmen of general line, specialist and combination distributor firms in the U.S. and Canada. Subscription price to others: $30 per year in the U.S. and Canada; $50 per year outside U.S. and Canada. Single copy $5.00. The publisher reserves the right to accept or reject any subscription.

©Copyright 1981, Morgan-Grampian Publishing Co. Title registered at U.S. Patent Office. All rights reserved including the right to reproduce the contents of this publication either in whole or in part.

Publishers of: Contractor • Mart American City & County • Municipal Index • Design Engineering • Industrial Distribution • Industrial Product Bulletin.

SAPA ASHMA PTBA VBPA ABP

Indicators...

Purchases of industrial supplies and equipment declined in all areas of the country in September, according to the *NIDA-SIDA Industrial Distribution Index*. The national figure of 147.2 put the seasonally adjusted, two-month moving average 3.4 points (2.3%) below that of August. The figure is 13.1 points (9.8%) above the year-before level. Regional sales, comparing September to month-before and year-before levels, were: east, 147, down 2.3% and up 7.9%; midwest, 135.2, down 2.2% and up 16.8%; west, 183.1, down 0.7% and up 9.9%; south, 148.9, down 3.7% and up 7.9% . . . The *ASMMA New Order Index* for September reached 115.6, down 3.6 points (3%) from the August figure . . . The Federal Reserve Board's *Durable Manufacturers Index* during September dropped to 141.0, down 1.3% from August's 142.9 . . . The *SIDA Monthly Sales Trend Report* showed a 6% increase in September-to-August sales and a 17.7% rise in September 1981 over September 1980 sales. Sales in the first nine months of 1981 compared to the same period in 1980 showed an 11.1% increase . . . The *Wholesale Hardware Index* of the National Wholesale Hardware Assn. was 27.3 points (13.5%) above August and 16.9 points (7.9%) above that of September 1980 . . . The National Welding Supply Assn.'s *Welding Supply Index* rose to 170.5 from 157 in August . . . The *Quick Pulse Index* of the National Assn. of Aluminum Distributors stood at 108.9 in September, down 1.5 points (1.4%) from August and 9.8 points (8.3%) from the year-ago level...Machine tool shipments surged in September to $441.7 million, a 36% increase over August, according to the National Machine Tool Builders' Assn. Shipments for the first nine months of the year have outpaced the volume for the same period a year ago by 12% . . . The National Assn. of Purchasing Management issued a gloomy report in September. Production and incoming new orders fell, employment is down and deliveries from suppliers are faster, meaning fewer orders on hand. The report indicated 41% of purchasing managers surveyed predicted the third quarter would be worse than the second quarter, while 29% expect it to be better...The composite index of leading indicators dropped 2.7% in September, the worst plunge since April '80 (4%). □

Rugged, time-saving sewer cleaners.

Your customers want dependability and cost efficiency in the sewer cleaners they buy. RIDGID/Kollmann machines deliver both. And more. They get the job done fast. That's why they are called "The Quick Ones." Quick profits for you, too. Because they virtually sell themselves when customers discover what they can do.

See your Ridge salesman for details, or write for literature. The Ridge Tool Company, 400 Clark Street, Elyria, Ohio 44036, U.S.A.

RIDGID Ridge Tool Subsidiary Emerson Electric Co.

Our name is in your hands.

Circle 10

September sales recede

August totals took off like a shot as sales zoomed 17% above year-ago levels. While general line gains of 14% couldn't match the spectacular performance of specialists, whose sales rose 20%, both groups report heavy increases around the country.

Regionally, the major upturns occurred in the West South Central, 28%; Mountain, 26%; East South Central and South Atlantic, 22%, and West North Central, 20%.

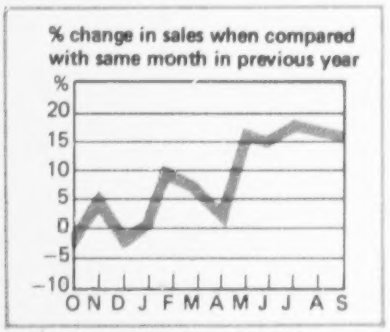
However, when compared with the previous month, sales figures were little cause for joy. Many areas marked declines, the largest of which was 6% in the East South Central. South Atlantic and West South Central distributors exhibited the biggest gains—5%.

Year to date sales present an uneven picture. All distributors remain 6% ahead of last year. But modest gains by the heavily industrialized areas, including the East North Central and Middle Atlantic, offset stronger sales by Sunbelt distributors.

Yet even with all statistics taken together, distribution is faring better than such bellwether indicators as machine tool orders. They rose 10% in August 1981 when compared with the previous month, but remain 5% below year-ago levels, according to the National Machine Tool Builders Assn.

RECEIVABLES*	Sept. 1981 Gen.	Sept. 1981 Spec.	Sept. 1980 Gen.	Sept. 1980 Spec.
New England	40.9	43.7	40.9	41.4
Middle Atlantic	41.7	46.7	39.1	46.6
South Atlantic	31.7	35.1	40.0	36.0
East North Central	41.5	42.6	40.1	39.0
East South Central	41.3	47.5	39.2	46.0
West North Central	46.7	37.8	45.2	40.2
West South Central	41.3	43.9	39.2	41.5
Mountain	41.1	40.0	36.4	—0—
Pacific	38.2	43.2	35.3	40.3
National	40.5	42.3	39.5	41.4

*Average days outstanding



Although sales momentum has slackened, totals remain well above last year's . . .

SALES BY REGIONS (% change)	Sept. '81 vs. Aug. '81 Gen.	Spec.	Both	Sept. '81 vs. Sept. '80 Gen.	Spec.	Both	9 mos. '81 vs. 9 mos. '80 Gen.	Spec.	Both
NEW ENGLAND: CT, RI, MA, NH, VT, ME	+22	+20	+21	+ 7	+34	+16	+ 1	+12	+ 5
Connecticut	+43	+17	+34	+24	+ 0	+16	+ 4	+ 1	+ 3
Massachusetts	− 1	+21	+ 6	−11	+51	+10	+ 1	+19	+ 7
MIDDLE ATLANTIC: NY, NJ, PA	+ 1	+ 4	+ 3	+ 6	+ 9	+ 8	+ 7	+ 7	+ 7
New York Metropolitan Area	+ 6	+ 2	+ 4	+ 2	+ 3	+ 3	+ 9	+ 3	+ 6
Upstate New York	+15	+ 6	+11	+ 9	+ 1	+ 5	+ 4	+ 2	+ 3
Pennsylvania	− 5	+ 6	+ 1	+ 6	+32	+19	+ 7	+21	+14
SOUTH ATLANTIC: DE, DC, MD, FL, GA, NC, SC, VA, WV	+10	−18	− 1	+16	+ 9	+13	+ 2	+12	+ 6
	+ 7	−12	+ 4	+15	+ 4	+13	+ 0	+14	+ 2
Georgia-Florida	+11	− 9	+ 1	+10	+17	+14	+ 6	+12	+ 9
EAST NORTH CENTRAL: OH, IN, IL, MI, WI	+14	+ 3	+ 8	+22	+16	+19	+ 3	+ 8	+ 6
Indiana	+17	−51	−17	+34	−16	+29	+19	+12	+16
Wisconsin	+19	+ 9	+16	+28	+41	+32	+ 1	+ 8	+ 3
Chicago	+58	+16	+27	−12	− 4	− 6	−15	+ 8	+ 2
Michigan	+ 1	+10	+ 6	+ 9	+19	+14	− 2	+11	+ 5
Ohio	+14	− 4	+ 5	+14	+11	+13	+ 3	+11	+ 7
EAST SOUTH CENTRAL: AL, MS, KY, TN	+ 2	+ 3	+ 2	+15	+21	+17	+ 7	+12	+ 9
WEST NORTH CENTRAL: MN, ND, SD, IA, NE, KS, MO	+ 5	−10	− 3	+21	− 2	+15	+ 3	− 5	− 1
WEST SOUTH CENTRAL: AK, LA, OK, TX	− 3	+ 0	− 2	+14	+25	+20	+25	+27	+26
Texas	+ 2	+ 3	+ 3	+12	+32	+28	+17	+25	+22
MOUNTAIN: NM, AZ, CO, UT, NV, WY, MT, ID	+10	+25	+16	+31	+32	+31	+ 4	+ 6	+ 5
PACIFIC: CA, OR, WA	− 4	− 1	− 2	+ 5	+17	+12	+ 6	+14	+11
L.A.-San Diego	− 4	−14	−10	+13	− 1	+ 5	+22	+18	+20
Oregon-Washington	− 4	+ 7	+ 2	+ 4	+29	+18	+ 4	+11	+ 8
U.S. TOTALS	+ 8	+ 2	+ 5	+15	+14	+15	+ 5	+10	+ 7